

Bur. of Consumer Financial Protection

§ 1030.1

made on more than one page, and use both the front and the reverse sides, as long as the pages constitute an integrated document and the table disclosing the total annual loan cost rates is on a single page.

APPENDIX L—ASSUMED LOAN PERIODS FOR COMPUTATIONS OF TOTAL ANNUAL LOAN COST RATES

1. *General.* The life expectancy figures used in appendix L are those found in the U.S. Decennial Life Tables for women, as rounded to the nearest whole year and as published by the U.S. Department of Health and Human Services. The figures contained in appendix L must be used by creditors for all consumers (men and women). Appendix L will be revised periodically by the Bureau to incorporate revisions to the figures made in the Decennial Tables.

APPENDIX O—ILLUSTRATIVE WRITTEN SOURCE DOCUMENTS FOR HIGHER-PRICED MORTGAGE LOAN APPRAISAL RULES

1. *Title commitment report.* The “title commitment report” is a document from a title insurance company describing the property interest and status of its title, parties with interests in the title and the nature of their claims, issues with the title that must be resolved prior to closing of the transaction between the parties to the transfer, amount and disposition of the premiums, and endorsements on the title policy. This document is issued by the title insurance company prior to the company’s issuance of an actual title insurance policy to the property’s transferee and/or creditor financing the transaction. In different jurisdictions, this instrument may be referred to by different terms, such as a title commitment, title binder, title opinion, or title report.

[76 FR 79772, Dec. 22, 2011, as amended at 77 FR 69737, 69739, Nov. 21, 2012; 77 FR 70114, Nov. 23, 2012; 78 FR 4754, Jan. 22, 2013; 78 FR 6596, Jan. 30, 2013; 78 FR 6967, Jan. 31, 2013; 78 FR 10444, Feb. 13, 2013; 78 FR 11016, Feb. 14, 2013; 78 FR 11413, Feb. 15, 2013; 78 FR 18797, Mar. 28, 2013; 78 FR 25837, May 3, 2013; 78 FR 30745, May 23, 2013; 78 FR 35504, June 12, 2013; 78 FR 60442, Oct. 1, 2013; 78 FR 60450, Oct. 1, 2013; 78 FR 70196, Nov. 25, 2013; 78 FR 76035, Dec. 16, 2013; 78 FR 78586, Dec. 26, 2013; 78 FR 79287, Dec. 30, 2013; 78 FR 80303, Dec. 31, 2013; 79 FR 48017, Aug. 15, 2014; 79 FR 56485, Sept. 22, 2014; 79 FR 65323, 65325, Nov. 3, 2014; 79 FR 77856, Dec. 29, 2014; 79 FR 78298, Dec. 30, 2014; 80 FR 8776, Feb. 19, 2015; 80 FR 21158, Apr. 17, 2015; 80 FR 43920, July 24, 2015; 80 FR 80229, Dec. 24, 2015; 80 FR 56898, Sept. 21, 2015; 80 FR 59968, Oct. 2, 2015; 80 FR 73945, 73949, Nov. 27, 2015; 80 FR 79675, Dec. 23, 2015]

PART 1030—TRUTH IN SAVINGS (REGULATION DD)

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SUPPLEMENT I TO PART 1030—OFFICIAL INTERPRETATIONS

AUTHORITY: 12 U.S.C. 4302-4304, 4308, 5512, 5581.

SOURCE: 76 FR 79278, Dec. 21, 2011, unless otherwise noted.

§ 1030.1 Authority, purpose, coverage, and effect on state laws.

(a) *Authority.* This part, known as Regulation DD, is issued by the Bureau of Consumer Financial Protection to implement the Truth in Savings Act of 1991 (the act), contained in the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 3201 *et seq.*, Public Law 102-242, 105 Stat. 2236), as amended by title X, section 1100B of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203, 124 Stat. 1376). Information-collection requirements contained in this part have been approved by the Office of Management and Budget under the provisions of 44 U.S.C. 3501 *et seq.* and have been assigned OMB No. 3170-0004.

(b) *Purpose.* The purpose of this part is to enable consumers to make informed decisions about accounts at depository institutions. This part requires depository institutions to provide disclosures so that consumers can make meaningful comparisons among depository institutions.

(c) *Coverage.* This part applies to depository institutions except for credit

unions. In addition, the advertising rules in §1030.8 of this part apply to any person who advertises an account offered by a depository institution, including deposit brokers.

(d) *Effect on state laws.* State law requirements that are inconsistent with the requirements of the act and this part are preempted to the extent of the inconsistency. Additional information on inconsistent state laws and the procedures for requesting a preemption determination from the Bureau are set forth in appendix C of this part.

§ 1030.2 Definitions.

For purposes of this part, the following definitions apply:

(a) *Account* means a deposit account at a depository institution that is held by or offered to a consumer. It includes time, demand, savings, and negotiable order of withdrawal accounts. For purposes of the advertising requirements in §1030.8 of this part, the term also includes an account at a depository institution that is held by or on behalf of a deposit broker, if any interest in the account is held by or offered to a consumer.

(b) *Advertisement* means a commercial message, appearing in any medium, that promotes directly or indirectly:

(1) The availability or terms of, or a deposit in, a new account; and

(2) For purposes of §§1030.8(a) and 1030.11 of this part, the terms of, or a deposit in, a new or existing account.

(c) *Annual percentage yield* means a percentage rate reflecting the total amount of interest paid on an account, based on the interest rate and the frequency of compounding for a 365-day period and calculated according to the rules in appendix A of this part.

(d) *Average daily balance method* means the application of a periodic rate to the average daily balance in the account for the period. The average daily balance is determined by adding the full amount of principal in the account for each day of the period and dividing that figure by the number of days in the period.

(e) *Bureau* means the Bureau of Consumer Financial Protection.

(f) *Bonus* means a premium, gift, award, or other consideration worth more than \$10 (whether in the form of

cash, credit, merchandise, or any equivalent) given or offered to a consumer during a year in exchange for opening, maintaining, renewing, or increasing an account balance. The term does not include interest, other consideration worth \$10 or less given during a year, the waiver or reduction of a fee, or the absorption of expenses.

(g) *Business day* means a calendar day other than a Saturday, a Sunday, or any of the legal public holidays specified in 5 U.S.C. 6103(a).

(h) *Consumer* means a natural person who holds an account primarily for personal, family, or household purposes, or to whom such an account is offered. The term does not include a natural person who holds an account for another in a professional capacity.

(i) *Daily balance method* means the application of a daily periodic rate to the full amount of principal in the account each day.

(j) *Depository institution* and *institution* mean an institution defined in section 19(b)(1)(A)(i) through (vi) of the Federal Reserve Act (12 U.S.C. 461), except credit unions defined in section 19(b)(1)(A)(iv).

(k) *Deposit broker* means any person who is a deposit broker as defined in section 29(g) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(g)).

(l) *Fixed-rate account* means an account for which the institution contracts to give at least 30 calendar days advance written notice of decreases in the interest rate.

(m) *Grace period* means a period following the maturity of an automatically renewing time account during which the consumer may withdraw funds without being assessed a penalty.

(n) *Interest* means any payment to a consumer or to an account for the use of funds in an account, calculated by application of a periodic rate to the balance. The term does not include the payment of a bonus or other consideration worth \$10 or less given during a year, the waiver or reduction of a fee, or the absorption of expenses.

(o) *Interest rate* means the annual rate of interest paid on an account which does not reflect compounding. For the purposes of the account disclosures in §1030.4(b)(1)(i) of this part, the